

Introduced by Senator PerataFebruary 21, 2003

An act to amend Section 1215.9 of the Insurance Code, relating to insurance holding companies.

LEGISLATIVE COUNSEL'S DIGEST

SB 841, as introduced, Perata. Insurance: holding companies: injunctions.

Existing law provides that whenever it appears to the commissioner that any insurer or other specified person has committed or is about to commit a violation of certain provisions of law or any rule, regulation, or order issued by the commissioner, the commissioner may apply to the superior court for the county in which the principal office of the insurer is located, or if the insurer has no principal office in this state, then to the Superior Court for the County of Los Angeles, or for the City and County of San Francisco, for an order enjoining that insurer or other person from doing so.

This bill would provide that if the insurer has no principal office in this state, the commissioner may, in addition, apply to the Superior Court for the County of Sacramento for an order enjoining the insurer.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1215.9 of the Insurance Code is
2 amended to read:
3 1215.9. (a) Whenever it appears to the commissioner that any
4 insurer or any director, officer, employee, or agent thereof has



1 committed or is about to commit a violation of this article or of any
2 rule, regulation, or order issued by the commissioner hereunder,
3 the commissioner may apply to the superior court for the county
4 in which the principal office of the insurer is located, or if ~~such~~ *the*
5 insurer has no ~~such~~ *principal* office in this state, then to the
6 Superior Court for the County of Los Angeles, ~~or~~ for the City and
7 County of San Francisco, *or for the County of Sacramento*, for an
8 order enjoining ~~such~~ *the* insurer or ~~such~~ *the* director, officer,
9 employee, or agent thereof from violating or continuing to violate
10 this article or ~~any such~~ *the* rule, regulation, or order, and for ~~such~~
11 *any* other equitable relief as the nature of the case and the interests
12 of the insurer's policyholders, creditors, and shareholders or the
13 public may require.

14 (b) No security which is the subject of any agreement or
15 arrangement regarding acquisition, or which is acquired or to be
16 acquired in contravention of the provisions of this article or of any
17 rule, regulation, or order issued by the commissioner hereunder,
18 may be voted at any shareholders' meeting, or may be counted for
19 quorum purposes, and any action of shareholders requiring the
20 vote of an affirmative percentage of shares may be taken as though
21 such securities were not issued and outstanding. If an insurer or the
22 commissioner has reason to believe that any security of the insurer
23 has been or is about to be acquired in contravention of the
24 provisions of this article or of any rule, regulation, or order issued
25 by the commissioner hereunder, the insurer or the commissioner
26 may apply to the Superior Court for the County of Los Angeles or
27 for the City and County of San Francisco or to the superior court
28 for the county in which the insurer has its principal place of
29 business for equitable relief to enjoin the voting of any such
30 security or to void any vote of such security already cast, at any
31 meeting of shareholders.

